

RR Reynolds
Tobacco Company

September 15, 1995

JACK GEETING
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TO: ALL REPRESENTATIVES WITH K-MART

SUBJECT: K-MART DISTRIBUTOR SERVICE
CID #0002-00-00

Ladies and Gentlemen:

For some time, K-Mart's tobacco distributors have been performing functions which have traditionally been the retailer's job. Things such as:

- Filling all carton and pack fixtures (weekly)
- Cleaning fixtures as needed (weekly)
- Rotating stock (weekly)
- Pricing merchandise (weekly)
- Maintaining back room inventories (weekly)

...along with their regular duties of

- Ordering product needed (weekly)
- Handling K-Mart "605" returns (weekly)

Sales		Retail	
(1221)	1, 3, 4, 5, 6	(1222)	20, 21, 25, 26
(1222)	3, 8	(1223)	20, 21, 22, 24, 25, 27
(1223)	2, 3, 4, 5, 6, 9	(1228)	21, 23, 24, 26, 29
1224		1229	
(1225)	2	(ROM)	
(1228)	2, 3, 4, 5	PC	SC
(1229)	01, 02, 8	MC	PA
1240			
1244		RSM	RBM

In most cases, this arrangement between K-Mart and their distributors has improved in-store conditions and decreased our time needed to maintain K-Mart's at an acceptable level.

IT'S CHANGED!

Beginning September 18, 1995, the distributors will only be responsible to:

- Order product
- Handle returns

K-Mart has informed all stores of this change and sent a detailed letter suggesting how to assign people to the job and what must be done to maintain the cigarette department.

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We wanted you to know this and suggest that this is an excellent time to position yourself and RJR as "available and willing" to help K-Mart make a smooth transition to in-store management of the department. K-Mart is increasing their attention to the department, and we need to do the same.

Thanks for your help.

Sincerely,

Jack

Jack Geeting

JAG:ph

cc AVP's
RSM's
DM's
RM's
Dennis Bellinger
Bill Burgess-Kmart

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